



Legal & General
Investment Management
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Letter to Unit holders

xx September 2020

Dear [Unit holder name],

Changes to your Legal & General Unit Trust funds

We need to make you aware of some important changes to the way we price your fund(s) (set out in the attached guide). You don't need to take any action in response to this letter, but the information below may be useful.

What is the change?

Currently, we use four different methods for calculating fund prices. Instead, we will adopt a 'single swing pricing' method across most of our Unit Trust range of funds. The change to the pricing method will be implemented on [1 December] 2020.

What is a pricing method?

A pricing method is the way that we calculate the prices of funds to ensure all investors are treated fairly. There are different methods for calculating the price of a fund. Each method has a different way of allowing for the costs of buying and selling the fund's assets when the fund is growing or reducing in size.

What is single swing pricing?

The fund has a single price which is calculated by taking the value of the relevant fund attributable to the relevant class at the next valuation point of the fund; and dividing the result by the number of units of the relevant class in the relevant fund in issue immediately before the valuation point concerned. The single price is then adjusted depending on the level of flows into or out of the fund. If there are large inflows into the fund, the price may swing up but if there are large outflows, the price may swing down. This protects customers who are invested in the fund from the costs associated with purchases or redemptions, also known as 'dilution'. It is anticipated that the application of a dilution adjustment will not be necessary in normal market conditions.

The pricing method calculation will happen for all investors in the fund regardless of which class you are invested in. You can find more information on dilution and the current pricing methods in the accompanying guide or online at legalandgeneral.com/swing-pricing.

Will this affect your fund costs and charges?

No. Your fund fees (also known as the ongoing charge figure) will not change as a result of the new pricing method. Legal & General will pay all the costs involved in implementing this change.

Why is this change happening?

We have recently reviewed the way we calculate prices for your funds. Following the review, we have decided to adopt a standardised way of pricing funds across most of our Unit Trust fund range.

The move to a standardised pricing method will:

1. Make our pricing simpler;
2. Make it easier for you to compare prices across our funds; and
3. Make it easier for you to compare our funds to funds offered by our competitors

This new pricing method means that on each day all our customers receive the same price regardless of whether they are buying or selling their investments.

Will this change affect the value of my investment?

The number of fund units you hold will not change as a result of the new pricing method.

When you decide it is time to sell your investment, you will generally receive the same or a better price with single swing pricing than you would have received under the current methods.

There are a very limited number of circumstances where customers selling their investments might have received a marginally better price under a previous method and therefore may be negatively impacted by the new pricing method. This scenario is outlined in the guide attached.

Are all funds changing their pricing method?

No. The Legal & General UK Property Fund and Legal & General UK Property Feeder Fund will not be changing their pricing method as the Manager believes the particular nature of investing in physical property justifies maintaining the current dual priced method, in particular to encourage long term investing and to mimic the charges that most customers will be familiar with when buying property. The Legal & General Real Income Builder Fund will also not be changing its pricing method as this fund is structured in a way that links it to another fund structure and therefore it was considered to be in the best interests of investors to retain the current pricing method for this fund.

Is there any action you need to take?

No, this letter is important and requires your attention but does not require you to take any action.

Further information

If you'd like to know more about this change and what it means for you, then you can visit our website at legalandgeneral.com/swing-pricing. If you have any questions about the proposed changes or require further information, please contact us Monday to Friday between 9.00am and 5:00pm on 0370 060 1081 or email us at investments@landg.com. We may record and monitor calls. Call charges may vary.

Yours faithfully,

A handwritten signature in blue ink that reads "Honor Stanton". The signature is written in a cursive, flowing style.

**For and on behalf of
Legal & General (Unit Trust Managers) Limited**